

## § 272.6

the scientists of the Department of Defense and the scientists of the universities and industry; and

(4) To coordinate this program of basic research with the National Science Foundation; and

(5) To encourage the support of basic research by other government and private agencies.

### § 272.6 Implementation.

(a) It is the responsibility of the Director of Defense Research and Engineering to produce, on a continuing basis, a sound basic research program through the coordination and integration of the elements of the program among the military departments and other agencies of the Department of Defense authorized to conduct or support basic research.

(b) The Department of Defense provides support of basic research by:

(1) *Support of in-house laboratories.* Basic research in laboratories of the Department of Defense or in laboratories of other government agencies, best qualified for such work in particular areas, should be encouraged.

(2) *Grants to and contracts with educational and nonprofit institutions.* In situations appropriate for grants under the provisions of part 273, of this chapter the grant instrument is the preferred method of supporting basic research by educational and other nonprofit institutions.

(3) *Contract with industry.* Contracts specifically for basic research may be made with industrial contractors (including small businesses) which have a recognized special competence in a given area. In the administration of the provisions of part 15 of this chapter, which relate to the allowability of a contractor's independent research costs under certain Department of Defense contracts, favorable consideration should be given to independent basic research.

(c) The military departments and other agencies of the Department of Defense authorized to conduct or support basic research will provide the Director of Defense Research and Engineering with such information as he may require in order to carry out his responsibilities under this part, including annual reports through established

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administrative and fiscal channels of the following, by contract or grant and dollar value:

(1) Basic research performed in government laboratories.

(2) Basic research grants to educational and nonprofit institutions.

(3) Basic research contracts to educational and nonprofit institutions.

(4) Basic research contracts to industrial contractors, including small business.

(5) Independent basic research recognized as an allowable cost in an advance agreement under the provisions of part 15 of this chapter. Such costs shall be reported via the Assistant Secretary of Defense (Installations and Logistics).

## PART 274—REGULATIONS GOVERNING COMPETITIVE BIDDING ON U.S. GOVERNMENT GUARANTEED MILITARY EXPORT LOAN AGREEMENTS

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AUTHORITY: Sec. 24, Foreign Military Sales Act (22 U.S.C. 2764) and Executive Order 11501 (34 FR 20169).

SOURCE: 38 FR 858, Jan. 5, 1973, unless otherwise noted.

### § 274.1 Purpose.

The purpose of this memorandum is to prescribe regulations under which the Secretary of Defense or his designee may, from time to time, by public notice, offer financial institutions the opportunity to bid on the interest rates for the subject agreements. The bids made will be subject to the terms, conditions, and procedures herein set forth, except as they may be supplemented in the public notice or notices issued by the Secretary of Defense or his designee in connection with particular offerings.